

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

OPERATIONS AND CAPITAL COMMITTEE

WEDNESDAY, DECEMBER 19, 2007

3:00 P.M.

IN THE MARY BRENNAN BOARD ROOM,

T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (i§Corporationi”) Operations and Capital Committee was called to order by Chairman, James Forte, at 3:00 p.m., in the Mary Brennan Board Room at T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

COMMITTEE MEMBERS PRESENT: James Forte; Robert D. Sangster; Michael Traficante; Don Pillsbury (Ex-Officio Member).

ALSO PRESENT: Peter Frazier, Interim President and CEO; Brian Schattle, Senior Vice President of Finance and CFO; Ann Clarke, Senior Vice President of Planning, Engineering and Environment; and those individuals listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

Mr. Traficante moved that the minutes of the Operations and Capital

Committee Meeting of November 28, 2007 be approved. Mr. Sangster seconded the motion. The motion was passed unanimously.

2. Report from Chair, Operations and Capital Committee:

Mr. Forte reported that he had recently had the opportunity to view snow removal operations. Mr. Forte commended both the operations and maintenance departments for their work in keeping the airport operational.

Mr. Forte commended the staff and state and federal agencies who had responded to an aircraft incident at the airport that occurred on Sunday, December 16, 2007. Mr. Forte reported that he had gone to the airport when he received the notification and was able to offer assistance. Passengers sustained no injuries in this accident.

3. Operations and Maintenance Report:

Mr. Edwards gave an overview of the first snow removal operations of the season.

Mr. Edwards gave an overview of the staff's emergency response to the aircraft accident on December 16, 2007.

Mr. Edwards gave an update on several construction projects including utility work in the terminal building and cargo repairs.

4. General Aviation Committee Report:

Mr. Tibbetts gave an overview of the recent snow removal operations at the general aviation airports.

Mr. Tibbetts reported that Mr. Sangster had asked if there was a correlation between the number of operations and fuel sales. Mr. Tibbetts reported that there is no correlation as some of the recorded flights are flight schools operating touch and go operations.

There was general discussion of fuel sales and how the high cost of gas has affected general aviation operations.

5. Discussion Item:

(a) Discussion of North Central Airport Easements and Part 77.

Ms. Pope gave an update on the project, focusing on the installation of the obstruction lights which should be complete by the end of December.

Mr. Sangster asked for an update on recent deicing operations at T. F. Green Airport, which Ms. Pope reported had gone well.

6. Action Items:

(a) Consideration of and Action Upon Approval of 2008 Operations and Capital Committee Meeting Schedule.

A motion was made by Mr. Traficante and seconded by Mr. Sangster approving the schedule as presented to the Committee. The motion was passed unanimously.

(b) Consideration of and Action Upon Replacement of Full Service Fixed Base Operator Agreement at T. F. Green Airport.

Mr. Schattle gave an overview of the agreement focusing on the summary of terms and conditions. Mr. Schattle confirmed that the term is 10 years without a right of first refusal. The recommendation is that the Interim President and CEO, or his designee, execute the Replacement Full Service Fixed Base Operator (FBO) Agreement with Northstar Aviation, Inc., containing terms and conditions consistent with the summary that was provided to the Committee, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Traficante to approve the following resolution:

WHEREAS, the Rhode Island Department of Transportation (RIDOT) and North East Jet, Inc. (Northeast Jet) entered into a facility construction and lease agreement on October 27, 1987, as amended from time to time, wherein Northeast Jet agreed, inter alia, to provide FBO services at T. F. Green State Airport; and

WHEREAS, Northeast assigned its rights under this agreement to Northstar on April 21, 1988; and

WHEREAS, RIDOT assigned the lease agreement to the Rhode Island Airport Corporation (RIAC) on June 25, 1993; and

WHEREAS, the lease provides Northstar the right of first refusal to

extend the lease for an additional ten years subject to terms and conditions that are mutually acceptable to Northstar and RIAC; and

WHEREAS, the lease which was originally set to expire on October 31, 2007, was extended by mutual agreement to December 31, 2007 to allow the parties to negotiate renewal alternatives; and

WHEREAS, Northstar has agreed to replace the lease with an updated agreement that better addresses the current operations and expectations; and

WHEREAS, RIAC staff and Northstar have negotiated the following summary of terms that will be included in the replacement agreement:

„X The term is 10 years without a right of first refusal.

„X The fuel flowage fee will remain at 10% of the wholesale cost of fuel.

„X Cargo landing fees will be remitted directly to RIAC from the Cargo Carriers at 100% (The current agreement allows Northstar to retain 50% of these fees).

„X All other landing fees that Northstar is required to collect will be remitted to RIAC. Northstar will be allowed to retain 15% of these fees to cover administrative costs (the current agreement allows Northstar to retain 50% of these fees).

„X Ground rent, established by an independent appraisal, will be paid at \$0.55 per square foot for 358,729 square feet resulting in a total

annual amount of \$197,301 (Northstar currently pays \$74,996 for ground rent based on the terms of the current agreement).

„X Building rent, established by an independent appraisal, will be \$28,685 per year (the current agreement does not provide for the payment for building rent).

„X Both rents will be adjusted every two years on January 1st based on the consumer price index (the current agreement allows for an adjustment every five years).

„X The general terms and conditions of the agreement are being updated to comply with current FAA requirements, to reflect current operations and to incorporate RIAC standards.

„X All repairs, maintenance, capital and structural expenses, insurance, taxes, and any other expense associated with the property or business will continue to be paid by Northstar.

„X The premises description is being updated to reflect the updated FBO footprint.

„X Beginning April 1, 2008, Northstar will transition from quarterly reporting and remittance to a monthly schedule.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the Interim President and CEO, or his designee, to execute the Replacement Full Service Fixed Base Operator (FBO) Agreement with Northstar Aviation Inc. containing the terms and conditions consistent with the summary above, subject to Board approval.

The motion was passed unanimously.

(c) Consideration of and Action Upon Renewal of Health and Dental Insurance Coverages.

Mr. Schattle gave an overview of the renewal reporting that RIAC with assistance from its health insurance consultant had successfully negotiated favorable renewal rates which include a 2.5% premium increase for health coverage and a 5% premium increase for dental coverage. The recommendation is that the Committee authorize the Interim President and CEO, or his designee, to execute an Insurance Contract Renewal with Blue Cross/Blue Shield of Rhode Island for both health and dental insurance coverage effective February 1, 2008, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Traficante to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) is currently under contract with Blue Cross/Blue Shield of Rhode Island (Blue Cross) to provide health and dental insurance for RIAC's employees and their families; and

WHEREAS, this contract renews each February 1st, at which time the premiums are adjusted; and

WHEREAS, RIAC staff, with the assistance of its health insurance consultant, successfully negotiated renewal rates which include a 2.5% premium increase for health coverage and a 5% increase for dental coverage; and

WHEREAS, over the prior two years, Borah and RIAC staff have evaluated alternative health coverage from United Healthcare and dental coverage from Delta Dental; and

WHEREAS, based on these evaluations and favorable renewal rates presented by Blue Cross, Borah recommends and RIAC staff agrees that the Blue Cross coverage be renewed at the negotiated rates; and

WHEREAS, RIAC has a fiscal year budget, which provides funding for these services through its Operating and Maintenance (O&M) budget.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the Interim President and CEO, or his designee, to execute an Insurance Contract Renewal for one year with Blue Cross/Blue Shield of Rhode Island for both health and dental insurance coverage effective February 1, 2008, subject to Board approval.

The motion was passed unanimously.

(d) Consideration of and Action Upon Approval to Extend the Agreement with R.I. Analytical Laboratories, Inc., for an Interim Air Monitoring System at T. F. Green Airport.

Ms. Pope gave an overview of the agreement. Discussion focused on the services being provided under this agreement. It was noted that the Corporation has been in communication with state and local agencies on this issue. The recommendation is that the Committee authorize the Interim President and CEO, or his designee, to extend the agreement with R.I. Analytical for air quality sampling and testing services related to the interim air monitoring system at T. F. Green Airport to include the period from January through March 2008, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Traficante to approve the following resolution:

WHEREAS, current legislation requires that the Rhode Island Airport Corporation (RIAC) provide an air monitoring system at T. F. Green Airport; and

WHEREAS, while developing the scope of the permanent air monitoring system RIAC has been utilizing an interim system provided by R.I. Analytical Laboratories, Inc. (R.I. Analytical) since

April 2007; and

WHEREAS, R.I. Analytical is an approved vendor listed in the State's Master Price Agreement (MPA) for laboratory services; and

WHEREAS, the original interim air monitoring system agreement was projected to run from April 26, 2007 through September 2007 in an amount not-to-exceed \$173,340 and funding for this project was included in the approved Fiscal Year 2008 Operating and Maintenance budget; and was subsequently amended for October through December 2007 in an amount not-to-exceed \$144,990; and

WHEREAS, the RIAC Board of Directors approved the extension of the interim air monitoring system agreement for the months of October through December 2007 in an amount not-to-exceed \$144,990; and

WHEREAS, the RIAC Board of Directors approved the selection of Environ International Corp. (Environ) to perform the long term air quality monitoring at the October 2007 meeting; and

WHEREAS, the current implementation schedule for the long term air quality monitoring system requires the extension of the interim air quality monitoring system through March 2008; and

WHEREAS, a scope and fee proposal has been received from R.I.

Analytical in an amount not-to-exceed \$127,280 for the months of January through March 2008.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the Interim President and CEO, or his designee, to extend the agreement with R.I. Analytical for interim air quality sampling and testing services related to the air monitoring system at T. F. Green Airport to include the period from January through March 2008 in an amount not-to-exceed \$127,280, subject to Board approval.

The motion was passed unanimously.

(e) Consideration of and Action Upon Approval of a Consultant Task Order for the Off-Airport Obstruction Removal Project at North Central Airport.

Ms. Pope gave an overview of this task order. The recommendation is that the Committee authorize the Interim President and CEO, or his designee, to execute a Task Order with Stantec to provide design services for the Off-Airport Obstruction Removal Project at North Central Airport, subject to Board approval.

A motion was made by Mr. Traficante and seconded by Mr. Sangster to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) with Stantec to provide on-call architectural and engineering services; and

WHEREAS, RIAC has received a scope and fee from Stantec to provide design services for the Off Airport Obstruction Removal project at North Central Airport in the amount of \$100,654 and staff is currently conducting negotiations; and

WHEREAS, this project is included in the approved Fiscal Year 2008 Capital Improvement Program (CIP) budget in the amount of \$577,778; and

WHEREAS, this Task Order will initially be funded through the General Purpose Fund with 90% (\$90,589) reimbursement from the Federal Aviation Administration.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the Interim President and CEO, or his designee, to negotiate and execute a Task Order with Stantec to provide design services for the Off-Airport Obstruction Removal Project at North Central Airport in an amount not-to-exceed \$100,654, subject to Board approval.

The motion was passed unanimously.

(f) Consideration of and Action Upon Approval to Enter into a Professional Services Agreement to Provide Telecommunication System Upgrade and Maintenance Services at T. F. Green Airport.

Mr. DaSilva gave an overview of the agreement. The recommendation is that the Committee authorize the Interim President and CEO, or his designee, to negotiate and execute a Professional Services Agreement with Altura Communication Solutions to provide Telecommunication System Upgrade and Maintenance Services at T. F. Green Airport, subject to Board approval.

A motion was made by Mr. Traficante and seconded by Mr. Sangster to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) is responsible for the maintenance and operation of airport facilities at T. F. Green Airport; and

WHEREAS, the approved Fiscal Year 2008 Operating Capital Budget includes \$250,000 for the replacement of certain equipment and upgrade of RIAC's phone system; and

WHEREAS, in November 2007, RIAC issued a Request for Proposals

(RFP) for Telecommunication System Upgrade and Maintenance Services at T. F. Green Airport; and

WHEREAS, timely responses were received from the following five firms: Altura Communication Systems (Altura), Netversant iV New England, TriNet Systems, Inc., Carousel Industries and Verizon Business; and

WHEREAS, RIAC formed a Selection Committee (Committee) comprised of: Joe DaSilva, AVP Building Maintenance; Dave Wilga, Chief Technology Office; Rodney McClaren, Electronic Technician and Beth Tetreault, Procurement Specialist; and

WHEREAS, the Committee individually reviewed and ranked the five submissions based on the selection criteria; and

WHEREAS, the Committee individually scored the candidates based on the selection criteria identified in the RFP and selected Altura as the best candidate to provide telecommunication system upgrade and maintenance services at T. F. Green Airport; and

WHEREAS, the base bid in an amount not-to-exceed \$166,366 will allow Altura to design and install a new phone system backbone which will include upgrades to existing software and equipment as well as the purchase and installation of new components including thirty new IP handsets; and

WHEREAS, during the implementation process RIAC staff and Altura will review options for additional conversions of phone sets to either IP or digital sets and finalize a scope for this additional equipment within the approved budget to be brought as a separate task order.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee authorize the Interim President and CEO, or his designee, to negotiate and execute a Professional Services Agreement with Altura Communications Services to provide Telecommunication System Upgrade and Maintenance Services at T. F. Green Airport in an amount not-to-exceed \$166,366, subject to Board approval.

The motion was passed unanimously.

(g) Consideration of and Action Upon Approval to Enter Into a Contract to Provide Chiller Maintenance Services at T. F. Green Airport.

Mr. DaSilva gave an overview of the contract reporting that the recommendation is that the Committee authorize the Interim President and CEO, or his designee, to negotiate and execute a contract with Trane Company to provide chiller maintenance services at T. F. Green Airport for the five years ending September 30, 2012,

subject to Board approval.

A motion was made by Mr. Traficante and seconded by Mr. Sangster to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) is responsible for the maintenance and operation of airport facilities at T. F. Green Airport; and

WHEREAS, the approved Fiscal Year 2008 Operating and Maintenance (O&M) budget includes \$30,000 for chiller maintenance and support; and

WHEREAS, under section 10.4.2.7 of RIAC's Procurement Rules specialized services for which there is only one documented accepted source, such as transactions involving unique professional services; Ke.g., repair/maintenance agreements with manufacturers; K qualifies as a sole source procurement; and

WHEREAS, as the original manufacturer and sole maintainer of this system since its implementation, Trane Company (Trane) is uniquely positioned to provide these services thus RIAC staff has determined that a sole source selection for this contract is appropriate; and

WHEREAS, Trane has provided a Scope and Fee proposal to provide Chiller Maintenance services for a five year period ending each

September 30th with annual costs as follows: 2008 - \$38,940, 2009 - \$67,550, 2010 - \$67,550, 2011 - \$38,940, and 2012 - 38,940 for a total contract value of \$251,920.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee authorize the Interim President and CEO, or his designee, to negotiate and execute a Contract with Trane Company to provide Chiller Maintenance Services at T. F. Green Airport for the five years ending September 30, 2012, in the amount of \$251,920, subject to Board approval.

(h) Consideration of and Action Upon Approval of a Construction Contract for the New Customer Hangar Project at Quonset Airport.

Committee Members and Corporation personnel discussed this contract. Discussion focused on the procurement process and specifically on the bid analysis as it relates to background checks of safety records, compliance with prevailing wage requirements, workmanship and the company's ability to complete work within a project's scope.

A motion was made by Mr. Traficante requesting that this item be tabled for further review and analysis. Mr. Sangster seconded the motion. The motion was passed unanimously.

(i) Consideration of and Action Upon Approval of a Construction Contract for the New Terminal and Hangar Relocation Project at Block Island Airport.

Committee Members and Corporation personnel discussed this contract. Discussion focused on the procurement process and specifically on the bid analysis as it relates to the company's ability to complete a project of this scope.

A motion was made by Mr. Traficante requesting that this item be tabled for further review and analysis. Mr. Sangster seconded the motion. The motion was passed unanimously.

7. Future Meetings:

The next Operations and Capital Committee Meeting is scheduled for Wednesday, January 16, 2008 at 3:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island.

8. Adjournment:

Mr. Traficante moved to adjourn at approximately 3:40 p.m. Mr. Sangster seconded the motion. The motion was carried by acclamation.

Respectfully submitted,

James C. Forte, Chairman

Rhode Island Airport Corporation

Operations and Capital Committee

ATTENDANCE SHEET

RHODE ISLAND AIRPORT CORPORATION

OPERATIONS AND CAPITAL COMMITTEE MEETING

DECEMBER 19, 2007

NAME	AFFILIATION
-------------	--------------------

Mark P. Brewer	RIAC
-----------------------	-------------

Doug Dansereau	RIAC
-----------------------	-------------

Patti Goldstein	RIAC
------------------------	-------------

Brenda Pope	RIAC
--------------------	-------------

Dave Edwards	RIAC
---------------------	-------------

Ahmed Shihadeh RIAC

Sue Pillsbury RIPA

Steve Tibbetts Landmark Aviation

Robert Goff New England Parking

Eric Weiner All Occasion Transportation